

CITY OF MUSKEGON

CITY COMMISSION MEETING

MARCH 27, 2007

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, March 27, 2007.

Mayor Warmington opened the meeting with a prayer from Vice Mayor Stephen Gawron after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioner Chris Carter, Kevin Davis, Clara Shepherd, Lawrence Spataro, and Sue Wierengo, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Becker.

INTRODUCTIONS/PRESENTATION: Sister City representative Rob Schweifler introduced Deniz Tolga who is from our Sister City Kepez-Turkey. Deniz said goodbye and thanked the City for their hospitality during his stay.

Commissioner Clara Shepherd presented a resolution to Frances Day thanking her for her efforts in helping a citizen in need.

2007-27 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes for the March 12th Commission Worksession, and the March 13th Regular Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Adoption of Muskegon County Hazard Mitigation Plan Resolution. PUBLIC SAFETY

SUMMARY OF REQUEST: The Director of Public Safety is asking the Commission to consider the adoption of the Muskegon County Hazard Mitigation Plan

Resolution. The Hazard Mitigation Plan is part of the overall response plan for Muskegon County. The adoption of this resolution will ensure the continued availability of federal funding including the Pre-Disaster Mitigation Program, Hazard Mitigation Program and Fire Management Assistance Grants.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of this request.

C. Road Salt Procurement Authorization. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize road salt procurement for the 2007/2008 winter season through the State of Michigan Extended Purchasing Program.

FINANCIAL IMPACT: Per ton price yet to be determined; average winter usage of 4,622 tons at the 2006/2007 extended price of \$32.99/ton totals \$152,479.

BUDGET ACTION REQUIRED: None; expense budgeted for through public works.

STAFF RECOMMENDATION: Approve request.

D. Beverage Vending Contract for Parks/Marina Facilities. PUBLIC WORKS

SUMMARY OF REQUEST: To enter into a three-year contractual agreement with Dr. Pepper/Seven Up to provide vending service throughout City Parks and Marina Facilities.

FINANCIAL IMPACT: Contract revenue is unknown at this time. Approximately \$12,000 in revenue was received from previous vendor (Pepsi) during the 2004-2006 contracts.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve request.

COMMITTEE RECOMMENDATION: The Leisure Services Board had approved the request to enter into contractual agreement with Dr. Pepper/Seven Up at their March 19th meeting.

E. Consideration of Bids for Larch Avenue, Hudson to Barclay Watermain Replacement (W-691). ENGINEERING

SUMMARY OF REQUEST: Award the contract for the watermain replacement in Larch Avenue from Hudson to Barclay to Felco Contractors, Inc. of Muskegon, MI, since they were the lowest responsible bidder with a bid price of \$128,867.80.

FINANCIAL IMPACT: The construction cost of \$128,867.80.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Award the contract to Felco Contractors, Inc.

F. Consideration of Bids for Hudson Street, Wilson to Laketon Watermain

Replacement (W-692). ENGINEERING

SUMMARY OF REQUEST: Award the contract for the watermain replacement in Hudson Street from Wilson to Laketon to Van's Contracting, Inc. of Coopersville, MI, since they were the lowest responsible bidder with a bid price of \$235,393.02.

FINANCIAL IMPACT: The construction cost of \$235,393.02.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Award the contract to Van's Contracting, Inc.

G. Consideration of Bids for Alley Between Torrent Street and Mann Street South of Lakeshore Drive Sanitary Sewer Replacement (S-621).
ENGINEERING

SUMMARY OF REQUEST: Award the contract for the sanitary sewer replacement in the alley between Torrent Street and Mann Street south of Lakeshore to Felco Contractors, Inc. of Muskegon, MI, since they were the lowest responsible bidder with a bid price of \$70,951.

FINANCIAL IMPACT: The construction cost of \$70,951.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Award the contract to Felco Contractors, Inc.

Motion by Vice Mayor Gawron, second by Commissioner Carter to approve the Consent Agenda as read.

ROLL VOTE: Ayes: Warmington, Wierengo, Carter, Davis, Gawron, Shepherd, and Spataro

Nays: None

MOTION PASSES

2007-28 PUBLIC HEARINGS:

A. Amendments to Brownfield Plan – Hotrod Harley. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution approving and adopting amendments for the Brownfield Plan. The amendments are for the inclusion of property owned by Muskegon Downtown Believers LLC in the Brownfield Plan.

FINANCIAL IMPACT: There is no direct financial impact in approving the Brownfield Plan amendments, although the redevelopment of the property into a commercial project will add to the tax base of the City of Muskegon.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To hold the public hearing and approve the resolution and authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for March 27, 2007, at their February 27, 2007, meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions, and it has been published twice in the Muskegon Chronicle. In addition, the Brownfield Redevelopment Authority approved the Plan amendment on February 23, 2007, and further recommends that the Muskegon City Commission approve the Plan amendment.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to close the Public Hearing and adopt the resolution approving the amendments to the Brownfield Plan.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Wierengo, Carter, Davis, and Gawron

Nays: None

MOTION PASSES

B. Michigan Natural Resources Trust Fund Grant Application for Smith-Ryerson Park. PLANNING & ECONOMIC DEVELOPMENT/LEISURE SERVICES

SUMMARY OF REQUEST: To hold a public hearing for public input for the Michigan Natural Resources Trust Fund Grant Application regarding the first phase of proposed upgrades to Smith-Ryerson Park. The application has been made available for viewing prior to the public hearing at the City Clerk's Office and on the City's website. The application is to build an ADA compliant restroom with concession stand, an irrigation system through out the park, a large picnic shelter with two grills and thirty-two twelve foot picnic tables, reconstruction of the basketball courts with concrete, new poles, backboards, rims, and timed lighting system, a pedestrian trail along the creek, the rehabilitation of the existing restroom building to be for storage only, and a set of aluminum bleachers.

FINANCIAL IMPACT: There is no impact for the 2007 budget year. If the application is approved, then this would need to be budgeted for the 2008 budget year.

BUDGET ACTION REQUIRED: The total estimated cost for the upgrades is \$577,829. The City is required to have a 25% match of those costs (excluding cents) which would be \$144,458. Therefore, this would need to be budgeted in 2008.

STAFF RECOMMENDATION: To hold the public hearing, approve submittal of the grant application, the 25% match, and to have the Mayor and Clerk sign the resolution.

Public comments were heard from Leland Davis, 1148 Terrace Manor, stating

that this is a good cause.

Motion by Commissioner Carter, second by Commissioner Davis to close the Public Hearing and approve the submittal of the grant application.

ROLL VOTE: Ayes: Davis, Gawron, Shepherd, Spataro, Warmington, Wierengo, and Carter

Nays: None

MOTION PASSES

2007-29 NEW BUSINESS:

A. Transfer Retiree Healthcare Assets to Municipal Employees Retirement System. FINANCE

SUMMARY OF REQUEST: The City has now completed the transfer of all pension assets (formerly administered through the City's pension boards) to MERS (Municipal Employees Retirement System of Michigan). As you know, the City also has set aside funds (approximately \$13.5 million) for retiree healthcare benefits. Historically these funds have been "piggybacked" onto the pension assets for investment purposes. Staff is recommending that the City's retiree healthcare assets also be transferred to MERS.

FINANCIAL IMPACT: The total MERS asset base is \$6 billion which means they are able to diversify and achieve economies of scale in investments to a far greater extent than we can by ourselves. We expect that our participation in this program will improve investment returns and grow the accumulated assets so that we are better positioned to pay future retiree healthcare costs without severe disruption to the operating budget.

BUDGET ACTION REQUIRED: No current year budget impact. The expected higher returns achievable through MERS will reduce the impact on future budgets and help the City achieve full funding of these long-term liabilities.

STAFF RECOMMENDATION: Approval of the *RETIREE HEALTH FUNDING VEHICLE UNIFORM RESOLUTION* and authorization for staff to transfer the City's accumulated retiree healthcare funds to MERS.

COMMITTEE RECOMMENDATION: At its last official meeting, the City's pension boards voted to recommend to the City Commission the transfer of retiree healthcare assets to MERS.

Motion by Commissioner Carter, second by Commissioner Spataro to approve the resolution and the transfer of the City's accumulated retiree healthcare funds to MERS.

ROLL VOTE: Ayes: Wierengo, Carter, Davis, Gawron, Shepherd, Spataro, and Warmington

Nays: None

MOTION PASSES

**B. Army Corps of Engineers Supplemental Agreement - Pier Safety. CITY
MANAGER**

SUMMARY OF REQUEST: To approve Supplemental Agreement No. 1 to the Army Corps of Engineers Lease No. DACW35-1-91-3004. This supplemental agreement will incorporate the South Breakwater of the Muskegon Harbor into the lease to allow the placement of pier safety devices.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the Supplemental Agreement.

Motion by Commissioner Carter, second by Vice Mayor Gawron to approve the Supplemental Agreement.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Carter, Davis, Gawron, and Shepherd

Nays: None

MOTION PASSES

C. Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following: PUBLIC SAFETY

1211 Third Street (Area 10)

536 Oak - Garage (Area 11)

Item C has been removed per request of staff.

PUBLIC PARTICIPATION: Various comments were heard from the public.

ADJOURNMENT: The City Commission Meeting adjourned at 6:10 p.m.

Respectfully submitted,

Ann Marie Becker, MMC
City Clerk